

## EXTERNAL STAFF TRAINING AND EDUCATION IN VERMONT: A Summary Report of Findings, Observations, and Suggestions

The Human Resources Investment Council is committed to creating an integrated network of workforce education and training opportunities that will prepare Vermonters for good jobs, and provide a competitive advantage for Vermont businesses. National research indicates that employer organizations invest up to three dollars on employee training for each dollar of public funds dedicated to this purpose, and therefore, the HRIC is interested in developing strategies to insure that public and private investments are coordinated and complimentary. In discussions over the past year the Council learned that many member organizations would like to encourage greater involvement of their employees in education and training related to their jobs, and that many had policies and programs in place to encourage employees. We also learned that employees often do not take advantage of these opportunities.

To learn more about the nature of these investments in Vermont, the Council commissioned a survey of its member organizations with Matt Mishkind, a graduate student in Psychology at the University of Vermont. Because the HRIC membership represents the major sectors of the state's economy, and all geographic regions, it represents a sample of organizations in the state that have a commitment to workforce development. The survey was designed to determine the nature of training and education programs purchased from a wide range of providers of these services. The survey revealed that employer funded programs provide Vermont workers with a wide range of skills needed to compete in local and global markets and include courses or degree programs at local educational institutions, career centers, conference workshops, consultation services, and customized technical training workshops.

This report provides a summary of results of this survey. The survey was developed by Mr. Mishkind in consultation with Council members Andy Crossman, and Tom Flanagan, with the assistance of Chip Evans, Council Executive Director. In addition to providing information about their training programs, survey respondents were asked to provide suggestions and strategies designed to increase the number of programs as well as employee participation in these programs. For a copy of the survey as well as a graphical representation of responses to all survey questions please see the attachment at the end of the report.

### Survey Findings

#### *Respondents*

Surveys were distributed to 37 members of the Human Resources Investment Council. A total of 23 surveys were returned for a return rate of approximately 62%. Council members who did not return the survey initially were contacted and provided with an extra survey if needed. In addition,

Matt Mishkind contacted several council members by phone to discuss further their responses and their thoughts as to what programs are needed in the state and methods to increase participation in these as well as existing programs

Of the organizations returning the survey ten were private sector businesses, five were state agencies, two were a school or technical center, two were non-profit organizations, and four were classified as "other". The number of employees ranged between 1 - 10 to 500 or more with most organizations (10) falling in the 101 - 499 range. Accordingly, responses represent a wide range of organizational types, sizes, and perspective concerning values and goals.

Although the focus of the survey was on programs provided by external vendors, results indicate that 18 of the 23 organizations surveyed provided their own training programs while 19 of 23 organizations surveyed contracted with outside vendors to provide external training and education programs. In addition, 14 of the 23 organizations surveyed provided both internal and external programs indicating that five organizations provided only external programs. Respondents were asked to estimate the percentage of eligible employees who currently participate in external programs and the percentage of eligible employees they would like to have participate in external programs. The average percent currently participating fell in the 20 - 39% range with the most common response in the 0 - 19% range. In comparison, on average respondents would like to see 40% to 59% of their employees participate and the most common response indicated that these employers would like to see over 60% of their employees involved in continuing education and training related to their jobs. Clearly organizations are interested in having more employees participate in external training and education programs than currently do so.

#### *External Training and Education Availability*

Training was provided on a variety of schedules. Twelve organizations provided programs at night, 19 provided programs during weekdays, and only 3 organizations provided training during weekend days. Thus, most employees were provided opportunities to participate during the workday or right after the workday ended. In one organization employees only proposed their own course of study, only pre-selected programs were available in two organizations, and both were available to employees in 14 organizations.

All nineteen of the organizations providing external training and education provided training for existing employees while only six organizations provided training for new employees. While this policy seems logical and follows a national trend, most new employees come to work ready to learn and willing to try new things. Although there is a fear among employers that employees may take the training and go work for a competitor, it appears that many organizations may be missing a good opportunity to provide training. One Council member commented that there is only one thing worse

than training someone and having them leave to work for a competitor, and that is not training them and having them stay.

Fourteen organizations provided training for front-line employees, 18 provided training for lower-level managers, 12 for upper-level managers, 14 for technical specialists, and 17 for support staff.

### *Training Budgets and Options*

All 19 of those organizations providing external training and education programs paid employees to participate in training and education programs. Every organization providing external training and education programs paid employees to participate as part of the workday and five organizations also gave employees additional pay to participate outside of their regular work hours. Organizations participated in a variety of payment programs. Thirteen organizations contracted for group training rates, six provided employees with a pre-determined amount of money up-front and encouraged employees to participate in the training of their choice, seven reimbursed employees after they completed the program, six reimbursed employees only after earning a minimum grade or meeting a certain criterion, and two organizations reimbursed employees on a sliding scale depending on the grade. Most organizations participated in a variety of payment programs depending on the number of employees participating, the needs of the employee, the needs of the vendor, and the types of programs employees participate in.

Individual organizations have also incorporated new and often inventive ways of budgeting for and reimbursing training and education programs. A large manufacturing plant has begun incorporating training into the budget each year. They think about the needs of the organization and employees and budget for training and education on an annual basis, thus ensuring that appropriate funds are available and eliminating many unforeseen training and education costs. Another large state agency has, along with participating in the State's first come, first served reimbursement plan, begun to set aside a small portion of budget specifically for additional training programs. A large educational institution requires that employees submit a request for training form before they may begin. Once the plan is accepted employees will be reimbursed upon satisfactory completion (meeting a minimum standard) of the program. Another large educational institution affords each department a large degree of autonomy by allowing them to pay for training themselves. A non-profit educational institutional attempts to secure foundation and corporation grants as a means to fund training programs.

Several organizations paid all expenses for training, however, many limited training to programs that were immediately relevant to either the employee's current position or the goal of the organization. Although specific policies were unavailable for most organizations, respondents often stated that while funding was often available employees had to take several steps to obtain the funding and respondents believed that employees were sometimes reluctant to pursue funding because of the

steps required. Programs often required employees to submit an application for training that was then reviewed for job or organization relevancy by either their immediate supervisors or several direct and indirect supervisors. In addition, some programs provided only partial reimbursement and others required employees to pay out-of-pocket until they satisfactorily completed the program.

#### *Types of Training and Education Programs Offered*

Organizations offered a number of diverse training and education opportunities to their employees. Most of the programs offered were designed specifically for competencies deemed relevant by either an organization or the industry of which the organization is a member. There were a few programs offered that were not tailored to specific competencies, however, the majority were competency specific and were subsequently provided to meet the immediate needs of the organization and not necessarily the needs or desires of the employee.

Several local, national, and global vendors and consulting firms specializing in skill requirement areas for the organization were contracted with. Ten organizations contracted with local colleges and other educational institutions, six contracted with vocational and technical centers, 18 with private training organizations and institutes, 16 with specialized training consultants, 12 with providers of specific products used by the organization, and two organizations contracted with career development offices. Organizational specific contracts were designed to provide employees with relevant job skills training in the areas of software training (Microsoft applications, industry specific applications), computer training (specific to organization), specific skill training seminars (industry recognized certificates), college and high school degree programs, staff development and management training (communication skills, feedback models etc.), specific training for IT staff (organizational networks), mediation training, customer service training, energy efficiency training, and training for skills specific to the organization such as accounting, quality control, and efficiency training.

Other training programs were designed to provide employees with more general, albeit job related, skills that were not only relevant to the present organization but also provided employees with skills that can be used in various jobs and various organizations. Programs of this nature were commonly associated with general management and effectiveness training and were most often provided by external consultants to the organization. Management training includes improving communication skills, developing employee feedback models, conflict resolution and mediation skills, alcohol abuse intervention, diversity and sexual harassment training, teambuilding initiatives, and executive coaching. While many of these programs were focused at the managerial and executive levels, a minority of organizations focused these programs on other levels of the organization. National research supports the observation that employers tend to invest more training dollars in workers who already have skills than those who do not.

In addition to the management training programs, there were programs designed to increase the effectiveness of all employees. Again, these programs were general in nature and provided employees

with not only specific skills to enhance current employment, but also skills that could be used for further advancement in other realms of employment. These programs include college or high school degree programs, customer service training, career development workshops, informational sessions about Baldrige Quality Awards, sales training, First Aid and CPR certification, professional development seminars, and professional conferences (most often discipline specific).

Seven organizations will pay for employees to complete educational degrees such as high school diplomas, industry recognized certificates, and college degrees while four organizations will pay for employees to take courses but not for entire degrees. Three organizations will pay for high schools courses of degrees, 10 will pay for associate degrees or courses, 12 will pay for industry recognized certificates, 12 will pay for bachelor degrees or courses, and 11 will pay for advanced (masters or doctorate) degrees or courses. Respondents indicated that over the past several years the number of people participating in these educational programs has for the most part either stayed the same or increased.

The most popular vendors, as reported by survey respondents, were colleges and universities (9 of 19 respondents), private training organizations and institutions (12 of 19 respondents), specialized training consultants (13 of 19 respondents), and providers of specific products used by the organization (9 of 19 respondents). Only 3 of 19 respondents indicated that vocational and technical centers were popular among employees. No respondents reported that career development centers were popular, however, several respondents reported that they were the least attractive among employees (11 of 19 respondents).

### *Barriers to Participation*

The following provides a summary of issues respondents believe decrease involvement.

- ò Confusing and difficult to understand reimbursement schedules and policies.
- ò Lack of funding for initial employees costs.
- ò The State's "first-come, first-served" reimbursement philosophy.
- ò No reimbursement for miscellaneous expenses such as lunch and miles driven.
- ò Lack of clarity about how training can advance employees in current and future jobs.
- ò Increasingly strict application guidelines for graduate programs.
- ò Lack of organizational assistance when applying for different programs.
- ò Having to pay for replacements when people are at training (Organizational perspective).
- ò Lack of available funding and difficulties obtaining available funding,
- ò Time commitments.
- ò Promoting people without proper qualifications and setting a precedent.

### Summary of Findings

In summary, a plethora of programs were provided by external contractors to Vermont organizations and employees. The programs offered ranged from organization specific competencies to general career development initiatives. The majority of programs were focused on either specific competencies or specific initiatives to improve effectiveness for their current position and organization. As a result, many programs may be seen by employees as requirements that do not necessarily improve overall effectiveness or provide skills that may be relevant to other employment opportunities, promotions, or positions.

## Observations

### *What Programs are Needed?*

While many organizations provide opportunities for training and education, there are programs which survey participants noted as important that are not offered by many or any organizations in the state. The director of a large state agency believes that training programs must be provided which offer employees skills that can immediately benefit the overall educational needs of the employee. Other survey respondents reported that employees often do not see how the training is immediately relevant to their lives outside of the organization. Unless the training or education results in a certificate or acquiring a skill sought after by the worker the time spent is seen as outweighing the benefits. Respondents felt that employees were often not interested in learning new skills that were applicable only to their immediate situation. It is believed that employees want to participate in programs that result in either generalized skills or certificates that may benefit career development. Examples of programs that respondents felt were needed include web design classes, tips on starting a business and entrepreneurialism, and small business management. Both the director of a large state agency and the director of an economic development office felt that the best way to improve the Vermont workforce is to provide opportunities and skills that allow people to develop themselves as they develop the perspective that Vermont is a place where opportunities and skills are abundant. To paraphrase the director of a state agency, "Help people set up their own businesses and opportunities, don't wait for people to come in and do it for them."

The member of a large private sector business was concerned about having an older workforce that did not want to learn new ideas for fear of losing the job security they have. This reluctance may be related to a feeling that employees "know it all" or have "been around the block" or to the belief that new techniques will not be beneficial. While these are all valid considerations steps must be taken to educate older employees about the technical and work satisfaction benefits of additional education and training and that increasing skills increases rather than diminishes job security.

## Strategies Believed to Increase Participation

Although this survey was created primarily to examine external training and education programs, a common statement was made regarding the need for more in-house training. In addition to the stated need for more external programs this clearly indicates that employers are concerned with training in general and the amount of programs offered specifically.

Several themes were derived from the responses given by survey participants. In general, survey participants believe that making funding more obtainable, encouraging employees to participate in the opportunities available, increasing the personal relevance of training, and relating additional skills to career advancement will increase participation. Specifically, five themes were derived including:

1. Funding
2. Encouragement
3. Opportunities and Availability
4. Personal Relevance
5. Organizational and Employment Relevance.

#### *1. Funding*

The means by which training is funded was mentioned several times as a factor in the rate of participation. While organizations often find it difficult to provide funding it was believed by many who completed the survey that employee access to funding should be made easier. For example, a large construction company recently began paying for all time spent in training even if it resulted in overtime pay. As mentioned previously, several organizations have begun to set aside a portion of their budget specifically for training. These organizations have provided funding for training in the past, however, some respondents noted that training previously was accounted for in the more general budget and not necessarily as a specific section of the budget. While this may not alleviate all financial considerations it does provide a training fund that helps ease the financial burden of unforeseen costs while further emphasizing to employees that the organization believes training is important enough to be specifically included in annual budgets.

A large state agency has increased tuition assistance for graduate courses required for advancement in the field. Obtaining an advanced degree is recognized as an advantage and by providing more assistance this agency is better able to provide clientele with the most qualified workforce. While this may be seen as a financial risk initially, the payoffs of having a nationally qualified workforce are expected to outweigh initial costs. A commonly noted means to increase participation through funding by several state agencies and private sector businesses is to pay for all expenses including expenses such as overtime. Several respondents reported that paying for programs in advance assists employees by allowing them to participate in programs without initial, personal financial considerations. Employees may not be able to afford the initial costs and as a result do not participate. Several organizations cited an increase in participation when they began paying all

employee expenses for training and education. In addition, many organizations have begun revamping their payment schedules as it was noted that paying for programs does no good if employees are confused or further hampered by the reimbursement schedule. Paying for programs is only the first step and it must coincide with employee access to the funds or the money allotted will eventually be diverted to other activities and employees will miss important training opportunities.

## *2. Encouragement*

A business in the hospitality industry recently began asking senior managers to encourage employees to participate in training and education. They felt that the lack of commitment to training by senior managers was influencing participation rates among lower level employees. The culture was not focused on employee education and improvement and it was decided that senior managers would begin encouraging employees to participate as a means to begin changing the culture. Several other respondents also indicated that encouragement by senior managers influenced participation rates by indicating to other employees the importance of training and education. Examples of encouragement include informing employees about their options, assisting employees with forms or providing information about whom to contact, linking raises and promotion to training, and relating the benefits associated with training to employees.

Another company began an initiative to publicize and promote training in general as well as specific programs offered by the organization. They had received feedback from employees about difficulties in obtaining information about available programs. As a result, program announcements that included dates and times as well as potential benefits were posted in areas that employees had access to. In addition, another organization in the hospitality industry has made attempts to increase continuous training and education by managers and supervisors. For example, when managers and supervisors see employees not performing satisfactorily they are asked to spend some time training the employee immediately. Instead of waiting for external programs, managers and supervisors are encouraged to continuously train their staff to ensure they are meeting the standards of the organization.

Many of these initiatives require a change in organizational mindsets and organizational culture. Encouraging employees to participate in training programs requires that all members value training and are willing to participate themselves. Supervisors may need to attend training programs to develop their own capacity to encourage and train other employees. To remain competitive in today's global market organizations and employees must be willing to constantly improve and must understand the value of training not only for the organizations but for themselves as well. To help change the culture, employees who are willing and able to transfer their own knowledge to others may need to be rewarded for doing so. Withholding knowledge from others is believed by some to increase personal power, but at the same time this practice will decrease the overall effectiveness of the organization. To initiate this

change it may be necessary to reward employees who encourage and teach others so all involved understand the importance of continuous improvement.

### *3. Opportunities and Availability*

Several survey participants cited the size of Vermont as a hindrance to employee participation. On one hand, the state is very small and depending on the program a qualified provider may be difficult to find. On the other hand, the population centers within the state are relatively spread out with little public transportation, or interstate access to many areas of the state. As a result, many needed programs are either not offered or when they are employees may be required to drive great distances to them. Coupling this with the difficult driving conditions that are possible for much of the year makes it extremely difficult for many employees in the state to obtain training. To alleviate some of these problems the member of a state agency cited the need for more courses on the internet which are available at any point during the day or night. While this is ultimately an option that is decided by the vendor providing the service it may be an important option to ask vendors when looking for training opportunities.

A company in the hospitality industry with operations running 24 hours a day, seven days a week has implemented a technique to increase availability and participation. The organization has selected members from the organization to receive training from outside vendors. The training they receive is essentially training to train others about the given topic. These employees then develop training workshops within the organization that more effectively coincide with the organization's schedule. They are thus able to offer training based on the needs and schedules of employees within the organization and not on the traditional work schedule that other programs are offered during.

A company in the contracting business has a very mobile workforce with work sites at various locations within the state. Employees were providing feedback saying that they were interested in training programs but those most commonly offered were not in easy driving distance or were offered late in the evening and people were simply too tired to attend. As a result, the organization began to contract with external providers to take as many programs as possible to the work sites on a rotating basis. Therefore the programs would come to the employees instead of the employees going to the programs and if a program was not offered at an employee's direct work site there was at least the understanding that the training was taking place "in-house" and employees had more flexibility in obtaining the training. Another organization has focused on better organization of training programs by the person doing the scheduling. The shift was from scheduling that meets the needs of the vendor to scheduling that meets the needs of the majority of employees interested in training.

Other steps to increase accessibility include providing department-wide training and new employee training. By providing department-wide training a small private sector business is better able to ensure that employees receive the training necessary. When training is provided on an individualized

basis the bulk of the responsibility falls on the individual to seek out information and enroll in order to obtain training. When training is provided for an entire department it is likely that time will be allocated for training and that employees will not be solely responsible to ensuring that they have the appropriate forms and other information. In addition, employees are better able to assist each other in driving to the site, studying, and encouraging each other to take the training seriously. This further indicates to employees that the organization considers training to be a viable aspect of work by focusing on ensuring that the greatest number of employees receive training.

New employees come to work ready to work and learn and are open to new training opportunities. One organization recently began providing more job specific training to new employees instead of waiting to train them. Depending on the job it may take a new employee up to a year before she or he becomes proficient at the job. Training new employees will help integration not only into the organization but also into the job and provides the employee with needed skills at the beginning of employment. In addition, bringing training to new employees increases accessibility at a time when many employees are eager to learn.

#### *4. Personal Relevance*

The tone of many programs seemed to be that they are intended for "one-shot" learning, which may or may not be relevant to either the immediate job or advancement of the individual. Focusing on the long-term aspects of training and career planning was cited by one state agency as a way to not only involve employees but to emphasize the life-long benefits that training can provide. Training and education programs that are "learner focused" are almost by definition more personally relevant to the employee. Promoting these types of programs may be accomplished by adopting a philosophy that all employees should be involved in training not just for their current position, but also for a self determined next career step. By using this approach training is always linked to career advancement opportunities. These types of programs consider the needs of the learner while providing training based on these as well as organizational needs. If programs are not inherently learner focused then either internal organizational members or external vendors can take steps to help restructure employee's perceptions of the value they will obtain from training. Most people change jobs or employers several times during their careers and training that is only immediately relevant to one's current job has less appeal than training with more generalized outcomes, however, almost any type of training can have generalized benefits providing the trainee has the ability to restructure their understanding of the opportunity.

Several steps have been taken by organizations in the state, as indicated by survey respondents, to increase the personal relevance of training and education. One organization has begun assisting employees identify skill competencies that are not only required for the immediate job but also is of interest to the employee. By doing this the organization promotes training needed for an effective

workforce while also providing the employee with skills that may have relevance to other aspects of the employee's life. In addition, the organization is helping to ensure that employees will continue with training because they are able to identify personal gains and are more willing to take the time and exert the energy necessary to make the most of their opportunities. Another organization has taken similar steps by screening each training opportunity for personal as well as organizational relevance. Again this helps employees obtain training that has more generalized benefits while also indicating to employees that the organization cares about their personal development as well as their development as an employee.

Respondents from several organizations cited the need to link career and pay advancements to training and education programs. Biasing promotions toward individuals with either additional education or industry certificates is one way to demonstrate the link while another is to provide employees with official information about the benefits. Organizations can easily assist employees by providing them with information related to the personal benefits associated with training and education. In addition, many management consulting firms have assessments which can be used to evaluate the learning needs and styles of most employees. However the link is made, survey respondents have made it clear that personal relevance is believed to be an important topic for many employees.

#### *5. Organizational and Employment Relevance*

Relating to personal relevance is the need for training to be relevant to either the organization in general or one's specific position. From both an employee and organizational perspective it is important to make training organization and employment relevant to improve the immediate organization as well as the ability to perform one's job. If training and education programs do not help improve organizational effectiveness (this includes programs which are personally relevant to employees and thus improve their effectiveness) in some way then they likely have little value to the organization participating in such programs are likely to be a waste of time and money.

A large organization in the hospitality industry uses customer surveys to help define training needs. The results of the surveys are used to determine where additional training is needed and employees are either required or encouraged to obtain training in specific areas. This training is thus immediately relevant to the organization as customers have noted areas where the organization needs to improve in order to improve functioning from an outside customer perspective. Several state agencies noted that the federal government mandates that employees have certain certificates or competencies to work in their current positions. This forces employees to obtain training which is extremely relevant to their current jobs. While the direct employer has little control over federally mandated competencies a sales organization has adopted internal standards which require industry certificates before employees may obtain certain positions. Thus, internally mandated competency levels require employees to

participate in training programs while at the same time they provide employers with more flexibility than mandates from the federal government.

Most techniques to make training and education both organization and employment relevant are focused on implementing and promoting basic competency levels. As a result, training is directly related to the current job and depending on the goals of the employee may also be personally relevant. This further shows employees that constant improvement is a value of the organization and if they do not meet certain competencies they will be required to participate in more training until they meet the standards set by the organization.

### Recommendations Summary

The following list provides a brief summary of suggestions for increasing participation in external training and education programs.

- ò Relate additional training and certification to higher pay and career advancement.
- ò Increase accessibility of training by improving scheduling, contracting for additional locations, and bringing training to employees as often as possible.
- ò Look for vendors that provide a variety of learning mediums including distance learning and on-line courses.
- ò Contract with educational institutions in surrounding states, if necessary.
- ò Relate training closely to work requirements.
- ò Identify the professional goals of employees and relate them to different training programs.
- ò Use Human Resources, supervisors, and senior-level managers to encourage employee participation.
- ò Make attempts to change the culture associated with training and education so that the entire organization promotes training and not just some departments or individuals.
- ò Contract for classes that are shorter than the traditional three-credit college course.
- ò Create a fund to assist with up-front costs instead of only reimbursing employees at the end.
- ò Hold employees accountable by implementing disciplinary actions when mandatory training is missed repeatedly.
- ò Recognize employees who participate in programs.

Much time and energy has been invested in the training of employees working in the State of Vermont. The Human Resources Investment Council is committed to preparing Vermonters for good jobs and providing Vermont businesses with local and global advantages. Training and education was been cited by Council members as a means to improve opportunities for Vermonters. The present report provides feedback and suggestions based on a survey administered to Council members during summer, 2000. While these suggestions are helpful they provide employers only with strategies to

increase participation. Implementing these concepts must be the responsibility of each employer, but will also require partnership with public and private providers of education and training services.

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